GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

STARRED QUESTION NO:186
ANSWERED ON:15.12.2003
PUBLIC SECTOR INVESTMENT IN AGRICULTURE
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Will the Minister of AGRICULTURE be pleased to state:

(a) whether the agricultural production is showing a downward trend in the country for the last five years;

(b) if so, the reasons therfor;

(c) whether the public sector investment in agriculture has declined considerably during the said period;

(d) if so, the reasons therefor;

(e) the details of public sector investment in agricuture during the past five years; and

(f) the corrective measures taken by the Government in this regard?

Answer

MINISTER OF AGRICULTURE (SHRI RAJNATH SINGH)

(a) to (f): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (f) OF LOK SABHA STARRED QUESTION NO. 186 DUE FOR REPLY ON 15TH DECEMBER, 2003.

(a)&(b): The total value of output in Agriculture including Animal Husbandry and Dairying at 1993-94 prices, and foodgrains production during the years 1997-98 to 2001-02 are given in TABLE 1.

TABLE 1

Value of Output in Agriculture and Foodgrains Production during 1997-98 to 2001-02

Year	Value of Agriculture Output at 1993-94 Prices (Rs.Crore)@	Foodgrains production (Million Tonnes)@@
1997-98	302399	192.3
1998-99	323017	203.6
1999-00	324298	209.8
2000-01	320370	196.8
2001-02	336900	212.0

Source: @ Central Statistical Organisation
@@ Ministry of Agriculture

As can seen from the above Table, agricultural production has shown an upward trend. The decline in production in 2000-01 reflects the impact of unfavourable weather on crop production. Foodgrains production in the year 2002-03 is estimated to have gone down to 182.6 million tonnes due to severe drought in several States. However, the favourable rainfall in 2003-04 has brightened the prospects

of agricultural production. The foodgrains production for 2003-04 is targeted at 220 million tonnes.

(c) to (e): As shown in Table 2 given below, the Public Sector investment in Agriculture measured in terms of Gross Capital Formation (GCF)at current prices during the years from 1997-98 to 2001-02 has not shown decline except in the year 2000-01. At constant prices (1993-94), Public sector investment measured in terms of GCF declined in 1998-99 and 2000-01during this period. The decline in public investment in agriculture sector specially in the public sector has been on account of the decline in expenditure on irrigation works. However, it may be noted here that there has been a notable increase in the relative share of private sector in the total GCF in agriculture from around 54% in 1960-61 to around 74% in 2001-02.

TABLE 2
Public Sector Gross Capital Formation(GCF) in Agriculture including Animal Husbandry and Dairying

	Public Sector GCF (Rs.Crore)		Private Sector GCF (Rs.Crore)	
	at current prices	at 1993-94 prices	At current prices	at 1993-94 prices
1997-98	6105	3979	16689	11963
1998-99	6613	3870	16251	11025
1999-00	7714	4221	20438	13083
2000-01	7218	3919	20355	12768
2001-02	9231	4794	22323	13263

Source : Central Statistical Organisation

(f) : Public sector investment in agriculture as compiled by the Central Statistical Organisationconsists mainly of expenditure on irrigation works. Government of India have been implementing the Accelerated Irrigation Benefit Programme launched during 1996-97 for expeditious completion of ongoing major & medium irrigation projects to augment irrigation facilities. The other programmes meant for developing rural infrastructure, thereby inducing more investment in agriculture, especially in the private sector, include Drought Prone Area Programme, DesertDevelopment Programme, National Watershed Development Project for Rainfed Areas, Integrated Wasteland Development Programme; and Rural Infrastructure Development Fund established inNABARD to provide financial assistance to state governments to augment investments in irrigation, rural roads and bridges, market yards/godowns, inland waterways etc. Besides, with a view to pass on the benefit of declining interest rates to agriculture sector, public sector banks have reduced their lending rates for agriculture to a maximum of 9 percent per annum on crop loans up to a ceiling of Rs.50,000.